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Resilience and Economic Growth in the Sahel - Enhanced Resilience

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Republic of Niger and
Burkina Faso

Cooperative Agreement
No. 625-A-14-00001

Striving for More: Observations and Recommendations for SECCA



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April 17, 2017

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1. Introduction

This report is based on a mission carried out by Paul Rippey in Niger and Burkina Faso.

In compliance with the terms of reference, Mr. Rippey's mission was not "a complex, comprehensive evaluation," but rather an exercise to help the project "make some short-and long-term decisions." As a consultant, his intention was to make recommendations that could be quickly put into practice and significantly improve program performance and the sustainability of groups in the coming months. These recommendations are not made in hopes of attaining perfection. Rather, they intended to improve a program that, to its credit, is already successful enough to enrich the lives of thousands of group members in the two countries. All of the recommendations have been discussed in detail, either in the feedback presented in Ouagadougou on March 29, 2017 or during visits to the two countries; none will upset day-to-day operations. On the contrary, they should make things easier for the Project Managers. Many of these recommendations were made by the managers themselves and all were approved by them, so there should be no obstacles to adoption.

The terms of reference break up questions into three categories: growing SECCA activities and making them more efficient, making SECCA groups more sustainable, and creating links between SECCA groups and monetary financial institutions (MFIs). The structure of this report follows the same lines, although the first two categories are closely related. All three categories consist of a discussion followed by recommendations.

A Brief Overview:

In terms of growth and efficiency of SECCA activities, the report shows that the program is going strong but is significantly hampered by excessive red tape when it comes to data collection. This is a burden to National Program Managers (NPMs) and discourages people in the field. The only recommendation that can be made in this regard is to streamline the data collection and processing system. The project is en route to exceeding its quantitative objectives in terms of the number of groups and members and the amounts saved. It is, therefore, worthwhile to focus on improving group quality and sustainability.

The report highlights several areas of risk relating to SECCA group quality and sustainability and offers ten recommendations for mitigation. Specifically, as a significant number of women in the population are illiterate, the groups tend to be far too dependent on their Community Relay Agent (Agent Relais Communautaire, or ARC). This creates risk in the event that this key person is lost. In addition, groups are often too laissez-faire about some basic principles, such as the presence of a cashbox, updating accounting records, and paying their trainer. It is also important to mention that there are number of great innovations coming out of the project that the consultant believes are unique and worth replicating.

The report also shows that partnerships with monetary financial institutions (MFIs) are off to a good start and that most members are probably already better served by SECCA groups than by MFIs. It compares a current partnership with KOKARI and a potential partnership with Freedom From Hunger to highlight the importance of details in relationships with MFIs.

2. Growth and Effectiveness of SECCA Activities: Observations

It is remarkable that the REGIS-ER project has successfully implemented a program promoting village savings and loans groups without the involvement of a specialized NGO partner. REGIS-ER was able to get the program up and running with the support of a consultant who formerly worked for CARE in Niger and who is already quite familiar with the MMD approach. However, most projects of a similar nature have had the benefit of a mother NGO sending a stream of consultants and experts to handle planning, recruitment, training and setting up a data management system as well as other elements of the monitoring and evaluation system. The team should be congratulated for its ingenuity. The decisions it has made have been largely good ones. It is hoped that this report will help them make some adjustments in a few areas that could use some work.

REGIS-ER has found relatively different SECCA group environments in the two countries where it operates. Compared to Burkina Faso, Niger is saturated with savings groups.¹ On a basic level, every village in the country and nearly every person is aware of the notion of a savings group. Many villages already have one or several people providing training to the groups. The trainers were formerly employed training savings groups for other projects and often continue to work with some of those groups. Their names have changed, and the former Savings and Internal Lending Communities (SILCs) or MMD groups are now called SECCA groups. The former Village Agent is now called an “ARC.” In this case, it is normal to ask what the added value of this project is.

The incorporation of existing groups and agents can add value to the groups in three ways:

1. In some cases the arrival of REGIS-ER was a breath of fresh air and re-motivated the facilitators, who, in turn, formed new groups.
2. The project has provided retraining for existing and new ARCs that are already improving. It is expected that, in the future, the project will adopt and implement practices to further enhance standards in the groups.
3. Focusing on paying the trainers will encourage ARCs to continue assisting the groups indefinitely.
4. Existing groups and new ones are often included in other REGIS-ER activities.

There is no approach specific to Niger. The various approaches in use are so widespread in the regions that it would be difficult and pointless to try to change them. For example, the Tillabéri region is saturated by Plan International, and groups tend to take the village savings and loans approach (VSLA). In Maradi and Zinder, the MMD approach is commonplace. The differences between the approaches are actually quite minimal; REGIS-ER has done well not to overhaul practices that are already working well.

However, in Burkina Faso, there is a weaker concentration of savings groups. The Dori zone has almost no groups. The Kaya and Fada zones are like Niger in that the savings groups and Village Agents are already in place, but fewer and farther between and with weaker public buy-in for savings groups than in Niger. As in Niger, the Burkina Faso program incorporated a number of existing groups and Village Agents, but most SECCA groups in the country were created through the project.

¹ The term "savings group" refers to a self-managed, self-funded group that collects savings from its members, gives loans to members who want them, and periodically distributes the savings and the revenues collected to the members. In this sense, SECCA groups are savings groups. There are other similar groups in the two countries, such as MMD groups (Mata Masa Dumbara), CARE Niger, the “Saving for Change” groups of Freedom from Hunger, SILCs from Plan International, and village savings and loans associations (Associations villageoises d’épargne et de crédit, or AVEC).

In both countries, it was observed that REGIS-ER has encumbered its own data collection process with red tape. This is not a situation the consultant has ever encountered in another program. It would be useful to compare the procedures for collecting and returning data in other programs.

Practice in Most Programs	REGIS-ER's Practice
Basic group data: the number and gender of members, village, training date	Basic group data: the number and gender of members, village, training date
Data on other members: None	Data on other members: Name and situation
Financial data: total saved, total outstanding loans	Financial data: amount saved and outstanding loans of each member
Update: copy the group name, changes in member numbers and new financial data	Update: As often as possible, copy everything, even the names of members
Result: The data is input and output in reports that everyone can quickly access	Result: The data sent to M&E only reaches managers once it has been checked against the groups' accounting documents, which are subject to a long process before being accepted. Managers have therefore created parallel systems to get an idea of current realities in the field.
Reconciliation: No reconciliation is necessary. Once data is entered, the program accepts them as accurate.	Reconciliation: The data in parallel systems and those in the M&E system are completely different. The M&E data are sent to the funder. The result is that a number of groups that do not have adequate support are never counted, meaning that the reports sent to the funder largely underestimate the project's performance.
Responsible for data collection: usually paid agents. Sometimes they make phone calls to volunteer community trainers.	Responsible for data collection: should be polyvalent field agents (<i>Agents de terrain polyvalent</i> , or ATPs) but sometimes left to ARCs in the field.

Note:

- Collecting and checking data on each member of each group, rather than data on all members in a SECCA group, is very time consuming and does not provide useful information for managing the program. All that is needed is the totals for each group.
- Recording the names of members is also time consuming. Both countries have adopted a partial solution consisting of photocopying the names once recorded, but there is much work to be done to actually put this into practice.
- The burden most often falls upon village volunteers who, while highly motivated to help people in their community, are not motivated at all to collect data for a project.
- The project's failure to return information to people in the field only serves to further demotivate them.

There is a need for system reform at every level. Once feedback on the mission was received, on March 29th, the two NPMs and the head of M&E for Burkina Faso worked together to decide which data to collect and how to simplify collection procedures. Everyone who took part in the work session admitted that they agreed with the proposed changes and that the new system would streamline field work. The consultant had to leave before viewing the details.



Daily life for the agents

Capacity for reaching the program objectives

- The large gap between the reality in the field and the data reported to USAID make it strangely difficult to determine how many SECCA groups the project is working with. At the end of fiscal 2016, the project reported 809 groups to USAID. But during the consultant's visit, the NPMs reported the existence of 1,241 groups, 455 in Niger and 786 in Burkina Faso. The new objectives negotiated with USAID aim for 1,100 new groups by the end of fiscal 2017 and 1,400 more in fiscal 2018. It would therefore seem that the project has reached its objectives for the current year and, at the current rate of growth, will surpass said objectives by the project's end.

In terms of members, based on an average of 24 members per group, which was used in previous reports, there are 29,780 members, versus the 26,000-member goal set for the past two years, meaning that, once again, the project has surpassed its objectives. Lastly, by collecting an average US\$30 per member, we end up with US\$714,816 in savings versus the targeted US\$400,000 for 2017 and US\$500,000 for 2018—greatly surpassing the target for the end of the project.

It should be noted, however, that these figures come from the "parallel system" created by the NPMs and not from M&E, and that the number of people per group and average savings are estimates. However, the two countries are continuously growing and it is very likely that the project can go far beyond the goals set for the next year and the final year of the project.

The project must give top priority to reforming the system of data collection, analyzing the data and sharing it widely.

Given that the project will largely surpass its quantitative objectives, it is not necessary to pressure field agents to do more. It is also not advisable to slow or stop their work; rather, they must shift their focus to quality and away from expansion.



Why do you do the work of an ARC?

"I like to organize women to fight hunger and poverty. When I quit school, I was just going to be a farmer. But now, I am more than that. The people in this project respect me, and I am proud because the villagers chose me. As an ARC, I continue to learn. ... I would go to the next village to train more groups, but I don't go because of all this paperwork. You make me fill out all this paperwork and you don't even give me a pen."

Clémentine Lonkwande Pognoagou
ARC for the Fada region in Burkina Faso



"It's not just ARCs. Even I am not sure I will start these groups, because of all the paperwork."

Fatoumata Boly
ATP, Burkina Faso

3. Growth and Effectiveness of SECCA Activities: Recommendations

Recommendation 1: Reform the M&E System. Examine, modify (if necessary) and adopt the recommendations made by the two NPMs and the M&E managers for Burkina Faso to streamline data collection and processing as quickly as possible.

Requirements for the new system:

- Only collect data that is truly needed. Do not collect data simply because it is interesting or because you are curious. To justify the effort and time investment, a clear and definite need for the data must be established.
- If it is absolutely necessary to collect members' names, follow the pre-established protocol by making photocopies and only writing the members' names once.
- Effective immediately, stop asking volunteers—ARCs—to collect data, aside from keeping track of the number and names of groups and members.
- Make sure data is shared with them and recognize strong performance and progress. This can be done through a nation-wide monthly newsletter in French with a few articles in local languages.
- Establish a program with precise dates for collecting, submitting and broadly sharing information.
- If NPMs feel it necessary to maintain a parallel system, this is a good indication that the new system is still lacking. Make sure that there is only one system that leads to a project dashboard that provides all the necessary information for the entire project, at every level.
- The time saved can be put toward doing occasional qualitative studies to learn more about the dynamics of the SECCA component. The themes can be chosen by the SECCA component manager and may include, for example, a study on the problems that members have encountered in groups, how many members are leaving the groups and why, the unmet demand for loans and long-term savings, and capacity redundancy in groups. Such studies should be carried out by sampling. A sampling of 30 groups per region with random, unannounced visits would be sufficient and make it possible to verify data submitted by field agents.

4. Quality and Sustainability of the Group: Observations

The SECCA groups the consultant met with while visiting the project were all in good shape and some were outstanding. Obviously, the groups that are having trouble—those that rarely meet, aren't working well, or are even fake—rarely have visitors. While the groups are very open at every level, field agents are naturally more inclined to show visitors their top-performing groups. However, there are certainly a number of problematic groups in every project.

What can we expect from the SECCA groups once the project has ended? The savings groups do not have a fixed lifespan. Some groups will continue and others will shut down. The main determining factor for group sustainability seems to be the members' understanding of the principles and procedures, and their commitment to following them indefinitely. A group's sustainability and knowledge will depend greatly on how well the members have been trained.

Based on the small non-random sample of the SECCA groups the consultant interviewed, the SECCA groups appear to have roughly average training compared to international standards. The Savings Group Information Exchange (www.thesavix.org) shows that 89% of groups are still active after five

years and, on average, increased the cashbox amount and loan average twofold. Ninety-eight percent (98%) of members continue to the end of the cycle. If we base our expectations for SECCA group sustainability on the quality of the training they receive, we should be able to expect consistent results from one group to the next.



The Bonkaney group formed in 2009 by GAMA, a Plan International partner in the Tillabéri region, has one Village Agent who is now an ARC and attends each meeting to collect 25 FCFA from each member. With the group now in its 16th cycle, it would seem that paying the ARC has been a worthwhile investment.

However, there is a fundamental difference between SECCA groups and typical African groups—the illiteracy rate in is very high among women in the Sahel. This means that groups are often dependent on outside parties to manage the records. More often than not, this falls on the shoulders of the trainer, the ARC. This creates risk in that, if this key player leaves, the group activities will likely shut down. This dependence fundamentally changes the group’s sustainability outlook. While we cannot know exactly what this risk will mean, it goes without saying that any group that cannot exist without the involvement of a single person is high risk.

Directly tied to this risk is the fact that SECCA groups are not regularly paying the trainers. Payment cannot be optional. It formalizes the relationship between the group and the trainer, creates a level of professionalism in the services provided, ensures that group activities can continue and enables the trainer to expand his or her territory if transportation is required. It should be noted that while sometimes groups simply refuse to pay, perhaps more frequently, trainers (ARCs) are reluctant to ask for payment from groups, especially when their parents and elders are members.

The need for payment is somewhat counterintuitive. It is nice to see that men and women in the villages have a sense of community and that they will volunteer to help their neighbors form SECCA groups. But the reality is that when trainers are paid, they stay on longer than if they had continued to do the work on a volunteer basis.

This is important because it is widely believed among savings groups that a group is formed during its first cycle and that it can continue SECCA programming indefinitely without any outside assistance. This is hardly the case in the Sahel. The illiteracy rate is so high that groups do not have enough members capable of easily understanding and updating the group's accounting documents. This situation only perpetuates the dependence on a single outside party, usually the trainer, to keep the books up to date.

The groups' dependence on a single person has created a risk involving a key player. If the person in charge of accounting leaves, group activities will come to a screeching halt. We have already encountered this situation in Burkina Faso where, when a group created through a former project lost its trainer, its activities were effectively suspended.

Another risk associated with a group being dependent on a single person is that, while an unlikely possibility, this person could falsify the accounting records, especially when savings amounts are announced. One way to lower this risk is to involve group members in keeping track of the cashbox by announcing at the end of the meeting how much was contributed that day as well as the total cashbox amount. This will minimize risk, although will not completely eliminate it. It is better to have a second person who understands the records, preferably a group member. Despite the lack of literate group members, many women have enrolled in classes to learn how to read. For them, the accounting will be difficult, but manageable. If they can understand the records, it will be a source of pride for them, and for the group as a whole.



Bourguou Guedoma, ARC in Burkina Faso. He manages ten groups and does the accounting for each one. His departure could halt activities in all of his groups.

To recap, illiteracy is a risk factor because can create dependence on a single external party to manage the accounting, which will be a problem if this person should leave. This situation is only exacerbated by the groups' failure to pay the ARCs. These factors combined are the greatest threat to the groups' survival.

The consultant noted several other risk factors. After discussing them with the NPMs in both countries, we believe they can be mitigated.

In both countries, people are too relaxed about some important aspects of the program, such as the keeping a cashbox and keeping records up to date.

Many groups do not have a cashbox. Some ARCs have said that the cashbox "protects the group's money," which is not the case. What it does protect is the group's accounting records, and it ensures that no one has falsified the records between meetings. Perhaps more importantly is its symbolic value. The opening and closing of the cashbox signals the start and close of the meetings. The ceremony is symbolic and represents the group's seriousness and sustainability. The group's investment in this communal property is part of the social adhesive that binds the members.

Some SECCA group records are not kept up to date and are nothing but pages with figures and no sub-totals. This is an invitation for fraud and mistakes to be made. When the records are updated just before they are shared with the group, the secretary has rush to complete multiple calculations,

which can be overwhelming. The members, without any frame of reference, do not have enough information to question a savings announcement that seems too low compared to other amounts collected during the year. For the sake of transparency, it is crucial to update accounting records on a regular basis and to announce the totals.

A basic principle of the REGIS-ER program is to cohesively integrate various program elements. These elements appear to be well integrated into SECCA, as many members also participate in other activities, such as conservation agriculture and habbanayé.

Yet integration still seems to be done inconsistently. SECCA groups are not routinely included in other project groups and other elements are not regularly promoted within SECCA groups. This is not surprising, given the exciting nature of activities in this complex project.

The SECCA component manual—“Self-managed Community Savings and Loan Strategy: Training of Trainers”—is quite long and in a language that is not always well suited to those who would use it. And despite being a long manual, it contains little information about relations with MFIs. Rather, it devotes most of its 111 pages to procedures for establishing and training SECCA groups, which assumes that the project does not work with the existing groups. In reality, many SECCA groups, especially in Niger but also in Burkina Faso, already existed as an MMD, VSLA, or SILC group and therefore need an assessment of their strengths and weaknesses rather than comprehensive training.

These findings should be wrapped up with four excellent program innovations that are worth spreading.

- 1) Videos: The project is launching a video instruction program in partnership with the NGO Spring. This is an excellent initiative. REGIS-ER serves a vast area and depends on cascading to spread information. However, as is typical in cascading, information is inevitably lost every step of the way. A video is a shortcut for cascading information that directly targets ARCs and groups. Other advantages of using video:
 - It is lively and interesting for participants, who see their reality reflected on the screen: “It’s reality.”
 - It reinforces the role and credibility of the ARC.
 - It can present exactly the same message as many times as necessary, unlike the human trainer, who forgets messages, makes baseless additions, and has good days and bad days.
 - It can repeat the same message as many times as necessary.
 - It can get across difficult messages that humans may have trouble communicating, such as the need to pay the trainers.

We watched a video in Maradi on maternal and child health. The quality of the video and the facilitation of the session did not live up to potential, nor to expectations. The scenario was difficult to follow and half of the video consisted of pictures of posters and monotone narration. Although the video addressed a theme of particular interest to women, it was completely narrated by the male facilitator—the female facilitator did not speak at all. As if that were not enough, the male facilitator did not ask participants a single question and seemed to simply repeat the information. Upon our request, the facilitators remade the video, interspersing narration with questions for the participants. The women participated enthusiastically in the second video.

- 2) In Niger, the project standardized the use of an accounting record that is easy to use and adapted to the project's needs (see the image on the right). Most importantly, it contains a column for calculating the totals on the page and for the report on the previous page, making it easier to update the record.
- 3) The other innovation from Niger is to offer groups two ways of calculating contributions.

The “proportional method” involves distributing savings among the members, and then calculating the adjusted value of each share and multiplying the new value by the number of shares each member has. This is seen as the “correct” method because the members who save more get more in return. The disadvantage is that it is difficult to calculate. It is no exaggeration to say that in most programs in Africa, many agents have trouble properly calculating contributions. One of the ATPs I met in Niger could not even explain how to do the calculation.

In light of this challenge, the REGIS-ER in Niger introduced “equal contributions” into certain groups. With this method, each member receives their savings and the surplus, interest and fees. This is divided into equal shares, one for each group member. In fact, many groups around the world are not able to calculate proportional contributions², so they settle for equal contributions. This method is a compromise—members who save more do not receive more in return. Yet there is a major advantage in its simplicity. By adopting this method, the program recognizes that it is not aiming for perfection.

- 4) In Burkina Faso, the program gave a new name to the surcharge that members pay on funds borrowed from the group when they pay it back. Instead of interest or administrative fees, terms used in both savings groups, some groups have adopted the term *frais de remerciement* (service fee), which, loosely translated, is a “thank-you fee.” The surcharge was renamed to fit the cultural tradition in which it is normal to thank someone who lent you something by giving them a small gift. Similarly, the groups use the term “forgiveness fee” instead of “penalty” or “fine” when group rules are not followed.

Simple, adapted accounting – REGIS-ER Niger

Membres		N°	Nom	Prénom	Sexe	V6	V7	V8	V9	Total
1	Tamara Dantou	4500	4500	4500	4500	4500	4500	4500	4500	4500
2	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
3	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
4	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
5	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
6	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
7	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
8	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
9	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
10	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
11	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
12	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
13	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
14	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
15	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
16	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
17	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
18	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
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21	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
22	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
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24	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
25	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
26	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
27	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
28	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
29	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000
30	Amira Na Abou	4000	4000	4000	4000	4000	4000	4000	4000	4000

² Based on the consultant's observations in the field as well and the answers that managers in half a dozen countries in Africa s gave to direct questions.

5. Quality and Sustainability of the Group: Recommendations

Recommendation 1: Require all new groups to receive training on cashboxes, and explain the importance of having a cashbox to all existing groups.

Recommendation 2: Regular calculations: Emphasize that calculations must be up-to-date on meeting days. The secretary should announce the totals before closing the cashbox and bringing the meeting to a close. These totals include the amount saved during the meeting and the amount in the cashbox. It is a good idea to remind members of these totals at the beginning of the following meeting but it is very important to keep the accounting up-to-date.

The secretary should also calculate the current savings total for each group member. This information should be made available to each member at the end of every meeting.

Recommendation 3: Paying trainers is mandatory. Be insistent about paying the ARCs. Remember that the ARCs are often much more reluctant than the groups to request payment. It is therefore the responsibility of the ATPs or trainers to coach the ARCs, to explain the policy and to authorize the ARCs to train the groups only when they are certain that payment will be made.

When communicating to the groups that payment is essential, it is important to keep in mind that the community volunteers are not working for money. They are motivated by their commitment to helping their community. However, they often need money to work, especially to reach all the groups they service. Last of all, payment ensures that they will continue to offer their services.

Recommendation 4: Reduce the risk related to key individuals. ARCs are sometimes required to fulfill the role of secretary within their groups. However, their objective should be to identify and to train stand-ins, and eventually their successors, to ensure that the group becomes independent. It is too great a responsibility for the ARC to be the only person to understand the group's accounting. If at some point the ARC is not available, the group will no longer be able to operate. This situation is the opposite of being autonomous; rather, it is the complete dependence on a single person who not part of the group.

Ideally, a group member would be identified to fulfill the role of secretary, initially as the “assistant secretary,” during the transition period. The second option, which is not ideal but is better than



Why are you forming groups?

“I don't have a choice. My wife, my mother and my sisters are all in groups. I do the work for myself because it makes me happy that they will have access to the group fund and to credit for investment. It's the end of poverty.”

He will never ask to be paid. The project must insist on his place in it.

Yacouba, ARC Niger

nothing, is to find another person from outside the group, such as another group's secretary. In no case should the group's survival be dependent on a single individual.

At times, motivating the ARCs to train their successors requires a change in thinking. The program managers must be persistent in this regard.

Recommendation 5: Continue to emphasize the video component and use it to address the reforms recommended in this report.

Many of the recommendations in this report are easier to implement through the use of video. Here are a few examples:

Recommendation	Use of Video
Simplify the data collection process	Given how valuable it is, the data collection process could be explained in a video, made specifically for the ATPs and the local resource persons (<i>Personnes Ressources Locales, PRL</i>), that announces the new system, thanks people for all of their hard work and explains why the new system is simpler.
Requirement of a cashbox for each group	Without expressly focusing on cashboxes, several videos could show a modest cashbox being used in a SECCA group and the solemn way it is opened and closed, as well as the group's pride in possessing such a valuable object as both a material and symbolic item.
Importance of regular calculations	Produce a video for the groups' secretaries explaining the importance of calculating the total from one day to the next.
Reducing risk for key individuals	Tell the story of a brave woman who took it upon herself to learn how to make accounting entries despite her low level of education. She must work hard to learn accounting methods and we see her frustration, but she perseveres. At the end, we see her maintaining the books when the trainer is absent.
Paying trainers	Tell the story of two groups. One group has paid their trainer who meets with them regularly and provides services that the group needs. The other has not paid their trainer, who is often absent because he must respond to other urgent situations, and who decides to quit, in the end, to look for work elsewhere, the result being the group shutting down.
Patience	A woman explains how she was able to obtain the money she needed without going to an MFI. She explains that she took some money from her group, a little more from her brother, and sold a few items. She tells us that she is happy that she isn't in debt with an MFI but that, if necessary, it would be her last resort.

These recommendations are only meant to serve as ideas to provide inspiration for program managers, who have already demonstrated a good understanding of the possibilities that video has to offer.

Wherever possible, it is important to demonstrate perfection in the videos since members will see mistakes as reality. For example, the meetings shown in the videos must take place in an orderly and disciplined fashion to the greatest extent possible.

It is also hoped that the project will share its video experience with other projects in a handful of other countries where videos are used to train savings groups.

Recommendation 6: Expand training for adults. Videos must not replace the actual teaching of best practices. Rather, they should serve as a starting point for participative exploration between the trainer and those in attendance. The goal is to get participants talking and, in fact, the best trainer is often the person who speaks the least but leads participants in a discussion. The videos from

Program 3 and the way in which they are used could potentially improve the quality of the entire REGIS-ER project training, in addition to other programs.

The principles of adult education are well known but not closely followed. They are mentioned in the manual but were underrepresented in some of the training sessions observed by the consultant. The table below presents the principles that must be incorporated into the spirit of the project.

Principle	Example
Make people do things instead of doing things for them.	You have just seen the video on recording savings deposits. Who can come in front of the group and demonstrate it to everyone?
Make people talk instead of talking to them.	What struck you the most in the video?
Make people think instead of explaining everything.	Did you see anything in the video that that could be useful in your group?
Relay question	Fatim just asked a good question. Who can answer him?

It would be wise to retrain the ARCs on these principles, starting with the directors. Local consultants would be able to lead a training of this nature³.

Recommendation 7: Develop a simplified manual. A simplified manual should present the steps of a meeting, simplified accounting methods and contribution calculation procedures, both the standard and simplified versions. It must briefly emphasize why cashboxes are important and why paying trainers is essential. It must also recognize the fact that many groups are long-standing. The manual must therefore help trainers evaluate existing groups and address points of concern without invalidating the procedures that are working for members, even if the procedures do not completely comply with the procedures in the manual. Lastly, the manual must foster synergy with other elements of the project.

Ideally, this should all be done in 20 to 30 pages maximum. It must be written in a level of French that typically can be understood by ARCs... The project could also consider having the manual translated into local languages.

Producing a simplified manual will help the current ARCs to better understand their responsibilities, in addition to leaving behind a valuable remnant of REGIS-ER.

Recommendation 8: Expand the reach of the creative ideas put forth by the project's National Program Managers. Standardized accounting in Niger, the contribution methods chosen and the terms "service fees" and "debt forgiveness" are excellent innovations that could become standard everywhere.

Recommendation 9: Enhance the synergy between the project's different programs. Given the number of activities that are still underway, we propose two measures that cost little in the way of time and other resources, but which could greatly enhance the synergy between the project's different elements.

³ Freedom From Hunger has expertise in adult education techniques and would be able to provide a list of consultants, if necessary.

The first suggestion is to include, in each video, examples of groups participating in REGIS-ER's numerous activities. It is not necessary to dedicate an entire video to project integration; rather, references should be made to members who have participated in other activities. For example, in a video on SECCA, there could be a scene where a member is late because he has been taking care of his animals as part of the habbanayé component of the project. Or, a member could mention that she needs credit for conservation agriculture activities.

The second suggestion is to create SECCA groups within REGIS-ER offices for those working on the project. Participating in a SECCA group is by far the best way to understand the true nature of these associations. Instead of perceiving SECCA groups simply as “mini banks,” REGIS-ER employees will begin to grasp the importance of SECCA's social ties, speed and flexibility.

6. SECCA-MFI Links: Observations

When discussing the links between SECCA groups and MFIs, it is important to distinguish between two different types of links.

First, the primary objective of savings links is to open savings accounts or accounts where groups and their members can save money.

The primary objective of credit links is to establish a link with MFIs for credit for entire groups, most frequently with a collective guarantee, or individual group members guarantee each loan.

It is difficult to understand the issues surrounding SECCA-MFI links without making the distinction between these two categories.

Savings links

Three reasons are often put forward as to why groups should open savings account:

- First, groups do not provide a good way to save for the long term, nor do they provide significant sums of money. These possibilities exist at financial institutions and having an account can help members save more.



Banimaté Group, Tillabéri region (Imanan)
At just their eleventh meeting, most members have already taken out credit to grow, diversify or start up small income-generating activities (IGAs).



Mamou Amadou, member: “Before the group, I didn't do anything. Now, I buy peanuts and sugar and I make candy.”

- Secondly, savings accounts provide a way to protect the group's surplus liquidity, especially in the weeks just before the contributions take place, when groups normally have a lot of cash on hand.
- Thirdly, opening an account can serve as a guarantee for groups seeking credit.

However, there is not much interest in savings accounts. For now, this is normal because many groups do not appear to have opened savings accounts, for the following reasons:

- The risks related to keeping money in the village remain minimal. The SECCA groups have not been victim to any cashbox thefts, an unfortunate event that is common in other countries. The risks are mitigated by the fact that relatively small sums are kept in the cashboxes and that “everyone knows each other” in the villages.
- Mobile money networks are even less developed in Burkina Faso and Niger than in other countries, and using a bank account may require traveling long distances, which becomes expensive.
- Most often, SECCA groups are located in remote regions far from commercial centers. As a result, transportation can require more cash and jeopardize the security provided by a bank account.

Credit links

In addition, the groups have not shown much interest in group credit. The groups visited were mainly savings-focused and there is little demand for external credit. Here are three examples:

1. The Hampougini group in the village of Tambiri in Burkina Faso is in its fifth month. It currently has 236,000 FCFA in its credit fund, and only 40,000 FCFA in outstanding loans. It is very likely that the members will start to get used to credit as time goes on and that the demand will increase, but we can also expect the credit fund to grow. Frequently, the offer will increase as quickly as the demand for credit.
2. The Kina group, also in Burkina Faso, is in its second cycle. They have currently lent out 50,000 FCFA and have 80,000 FCFA in liquid assets. It must be noted that this is one of the rare groups where members have prior experience with MFIs. Three women took out loans with an MFI—one to make cakes and the other two for animal fattening. Unfortunately, the animals of the women who received loans for fattening did not survive. The women had borrowed a nominal sum of 50,000 FCFA but only received 42,500 FCFA—the MFI the rest as a guarantee. With interest, they had to repay 55,000 FCFA within six months.
3. The Banimaté group in Niger has met just 11 times so far. The group has already gotten into the habit of borrowing and investing, and most members have already taken out credit to grow, diversify or start up small-scale IGAs. As soon as the money comes in, it is loaned to members. In the worst-case scenario, a member must wait only a few weeks to get the credit she needs.

In all three cases, the groups are able to meet their members’ credit needs. Some members appreciate having better access to larger loans; however, this desire must be balanced with the risks of external loans to the groups.

In fact, the Sahel and the population that REGIS-ER focuses on are especially ill-adapted to external credit for reasons explained by David Roodman⁴. Roodman has stated that we must “discourage efforts to lend to the poorest, which, far from automatically improving their lot, will add risk to their already risky lives. ... Stand ready to reduce support for micro-finance—microcredit in particular—since ample finance for credit can ... undermine the drive to take savings as an alternative source of money for lending, and thus corrode the true strength of micro-finance in enriching the local economic fabric.”

For more than 10 years, the projects have tried to link savings groups to MFI credit in the Sahel, with very little success. There are four reasons for this:

- The low absorption capacity of Sahelian men and women. In villages in the Sahel, MFI credit often exceeds the investment opportunities. It is not at all clear how to steer people to invest borrowed money when the amounts surpass their ability to repay the loans if their efforts fail. It is naive to speak of IGAs—*income-generating activities*—without also speaking of their counterpart, *loss-generating activities*. Small business and agricultural processing are rather safe investments, but many other types of investment, such as animal fattening and farming, have a high risk of failure, especially in the absence of technical training.
- External credit tends to create a “benefit–risk” imbalance. When credit is provided to entire groups, some members—usually entrepreneurs and the least poor (who prove to be the “decision-makers” in the group)—take out loans whereas all members are required to guarantee the loan. In addition, every member loses a part of their credit in the event of default. The poorest members often wish only to save money, but they agree to sign for credit “in solidarity” with the other members. In these cases, this so-called solidarity can result in exploitation of the poorest by the least poor.
- Underestimation of the advantages of the savings group. MFIs and programs that promote MFIs tend to compare the loan terms and conditions put forth by MFIs with those of savings groups. This basic comparison fails to acknowledge the groups’ unique advantages, such as the fact that interest is put back into the group’s cashbox and then returned to the members, and the group can approve a loan within a few minutes, without any other approval than an “Okay” from the rest of the group. In addition, there is flexibility, support and other social factors. When we consider these things, it is understandable that many people prefer to go through savings groups.
- Underestimation of the cost of MFI credit. The typical MFI business model ideally wants clients to take out a series of loans, each one greater than the last. However, it must be noted that there are a number of underlying problems with solidarity credit. “100% repayment” from the point of view of MFIs is rarely 100% repayment from the group’s point of view. This is because defaults within the groups are often hidden from the MFIs, but weigh heavily on members who must repay the credit on behalf of the members who have defaulted. The groups linked to MFIs often feel “stress” when adapting to the MFI’s requirements. On average, groups linked to MFIs lose members and are sometimes forced to shut down.

In light of these remarks, it is interesting to compare two micro-finance institutions, one being a REGIS-ER partner and the other a potential partner.

⁴ Roodman is a Senior Advisor at the Open Philanthropy Project, has served as Senior Advisor at the Bill and Melinda Gates Foundation and is the author of *Due Diligence: An Impertinent Inquiry into Microfinance*. January 2012.

KOKARI is a Nigerian MFI that has signed a partnership agreement with the project. Freedom from Hunger is an American NGO whose branch in Burkina Faso is looking for a partner for the project.

KOKARI has expressed⁵ that it understands villagers' needs and is willing be flexible to meet them. It recognizes that group members are a desirable clientele because members already understand the advantages and disadvantages of credit ("With these groups, our work is already partially done."). However, they insist that they do not want to disrupt the procedures the groups have already put in place. The director's remarks are eye-opening: "If they already have enough savings in the group, why are they coming to us for credit? Credit is a hot item. Instead of solving problems, credit can create problems. You can't take out loans to build credit." KOKARI seems to be patient. It has a long-term vision and is not in a rush to dole out credit.

KOKARI also understands that solidarity credit is a commodity for MFIs but that there can be underlying problems when it comes to the groups. KOKARI stays in touch with the groups that borrow from them and they sometimes waive late fees when clients have good intentions but circumstances arise that are beyond their control.

KOKARI's terms—20% digressive + 2% portfolio fees—are reasonable for a MFI.

KOKARI has acknowledged that it needs solidarity group guarantees but it does not want to simply make loans to SECCA groups because it knows that, in some instances, not all members agree about taking on debt. KOKARI prefers not to loan to people who only accept credit "through solidarity." It prefers for members to have a true economic interest in obtaining credit.

On the other hand, Freedom from Hunger⁶ has also proposed a partnership with REGIS-ER. It wants to help MFI partners make loans to SECCA groups. They are unjustifiably confident that the groups have additional credit at their disposal and do not see any drawbacks in loaning to a few group members with a guarantee from all members. They believe that members have no qualms about guaranteeing loans to other members "through solidarity." Their objective is to create links between the groups. Freedom from Hunger agrees that credit for investment purposes is usually successful and underestimates the presence of loss-generating activities.

Freedom from Hunger does not seem to understand that an oversized or rapid influx of external capital could potentially destabilize the group, or that slow growth is more likely to be sustainable than fast growth.

One of the objectives set by REGIS-ER is to communicate investment ideas. It is important to remember that many investment needs can be met with group savings if members are patient. It is also important to understand the difference between equity and borrowed money.

For example: Animal fattening can cost up to 50,000 FCFA per animal, including food and care. It is often possible to accumulate 30,000 FCFA through contributions. Simple logic tells us that a member cannot finance an investment of 50,000 FCFA with only 30,000 FCFA. However, rural family finances are very nuanced and produce results that can be counterintuitive.

First, the money received through contributions is pure equity for the member. There are no requirements for repayment or interest. In this respect, the member with 30,000 FCFA received through contributions is in a totally different situation than a member with an external debt of

⁵ Interview on February 21st with General Director Hamadou Amadou and Credit Director Yahouza Mamane, with Himadou Amadou.

⁶ Interview on March 28th with Richard Simbiri from Freedom from Hunger, with Patrice Beaujault.

30,000 FCFA. The equity base can also be bolstered by other financing sources, such as family loans, secret savings or the sale of valuable objects. The most important point is that a member who experiences failure is not financially ruined, as is the case if she has taken out an external loan and cannot repay it.

SECCA group credit is the intermediary between MFI credit and contributions. It is true that the credit must be repaid, but members who have problems with their loans will be met with understanding and flexibility from the group, and not with the rigidity of a MFI.

Despite the preceding remarks, our goal is not to demonstrate that there is no place for MFIs or for additional credit beyond that which the groups provide. In fact, SECCA groups and MFIs are complementary. Studies have shown that group members who open a bank account usually remain in the group.

Nor is SECCA a step toward a formal arrangement. Formality and informality both have their advantages and disadvantages.

While we acknowledge the usefulness of MFIs in certain cases, we would like to point out that external debt must not be widespread among the SECCA groups. When clients take on external debt, it must be under the most favorable conditions possible for them and maximize their chances of success...

The consultant was unable to meet with other MFI partners. The recommendations provided below could serve as a guide for these relationships.

NGO Save the Children has addressed these same questions in Niger and has come up with an interesting solution that is worthy of emulation. They have created village committees to help create links with micro-finance institutions. Instead of directing savings groups to MFIs, they have created shared economic interest groups, such as groups for farmers and breeders. Save the Children explains the benefits and risks of MFI loans to those who are interested and then invite them to join. The village committees provide a technical guarantee, with the understanding that the individuals on the list are known and able to carry out the activity in question. The list is then sent to an MFI, such as KOKARI, which provides the applicants with a solidarity guarantee contract.

It should be noted that this program has only recently gotten underway. It will be important to stay in touch with Save the Children and MFI partners to learn more about the obstacles they have encountered. Nevertheless, this seems to be a logical, simple and transparent approach to group credit that solves the problem of a benefit-risk imbalance. It makes the work of MFIs easier without eliminating their share of responsibility for the results.

The consultant had the opportunity to work with the Development Credit Authority (DCA). USAID has also recently signed a partnership agreement with them. DCA follows very healthy guidelines and they trust their banking partners to make good decisions. They share the risks, from the moment the first FCFA is lost, which means that the partners are responsible for conducting due diligence on the loans. DCA simply reduces the level of risk to encourage its partners to enter into new credit domains. It is an excellent partner.

Over the course of our discussions, one of the program managers shared that he felt a bit of pressure to adamantly recommend to the groups that they take out external credit to meet the contract objectives.

7. SECCA-MFI links: Recommendations

Recommendation 1: Reserve savings accounts to only a few groups for the time being. Because of the still nascent state of mobile money, underdeveloped banking networks and risks related to cash transport, most groups must store their money safely in the village. This situation is going to gradually change and, eventually, groups will be able to begin keeping their surplus funds in banks. For the moment, REGIS-ER does not have much influence over this aspect. There is not a significant security threat.

Recommendation 2: Focus on SECCA groups instead of MFIs. For the populations that REGIS-ER serves, it will always be preferable to finance investments through SECCA groups when possible. It should not be assumed that there must always be credit for every investment desired. Ask members to find solutions within the group instead of turning to MFIs.

Recommendation 3: Be patient. It is difficult to be patient given the time frame prescribed by the contract with USAID. However, many SECCA groups are in their first cycles and should normally have a significantly larger amount in savings in the second cycle. It should be examined how investments can be tailored to the capacity of members and groups, or spread out over time.

Recommendation 4: Avoid creating a benefit-risk imbalance by linking SECCA groups to MFIs. Instead, try to bring people together who are willing to accept solidarity credit through shared interest rather than through solidarity. In short, adopt and adapt the approach taken by Save the Children in Niger. Instead of encouraging SECCA groups to turn to MFIs, insist that MFIs are only for people who have investments to make and who accept the risk. The project must insist that members do not guarantee credit “through solidarity.” Rather, it must create groups of people who would all like to receive bank credit. REGIS-ER is in a good position to group together members with projects that need external financing. By capitalizing on the knowledge of local resource people, the project can provide a technical guarantee of credibility to MFIs without needlessly creating more work for the project.

Recommendation 5: Do not rely on MFIs to educate members. As an institution, MFIs are unable to address both sides of the issue when it comes to credit. The so-called education provided by MFIs automatically becomes a marketing strategy. It is the project's role to inform members of the advantages and risks related to external credit.

Recommendation 6: Produce a strategic video on SECCA groups and financial institutions. It must not be too promotional. Clearly present the benefits and risks. Alert members to the benefit-risk imbalance. Urge members to ensure that everyone wants to borrow, with no exception. Surprisingly, the general director of KOKARI could be a good person to interview on camera if he is willing to be as frank as he was when speaking with the National Program Manager from Niger.

Recommendation 7: Choose banking partners who have members' interests at heart. Time did not allow for an in-depth analysis of all of the different partners. Nevertheless, a partner such as KOKARI is clearly preferable to others who have not demonstrated a similar level of understanding or the same sympathy for rural populations. All partners who are not clearly attentive to the risks of credit should automatically be excluded.

Recommendation 8: When it comes to credit, do not sacrifice villagers' interests for contracts with USAID. REGIS-ER cannot and should not forget its objectives and contractual obligations. However, setting credit targets is particularly dangerous. Loans can be very tempting for poor people and people in the villages hold the project in so much respect that they regularly heed to the project's

advice. What is worse, people who take out loans are generally very happy when they take out their first loan, and similarly when they take out their second loan. Encouraging people to take out loans that they cannot handle themselves will create a good impression of the project only until the end of fiscal 2018, but will end in tears when borrowers find themselves unable to repay or to understand the implications of the loans. REGIS-ER has always supported members' long-term interests and must not compromise this principle to attain short-term objectives.

8. A final word

Visitors tend to be disruptive to staff who are already busy, and I know that I took up a lot of their time, in particular Himadou Amadou, Emmanuel Zombre and Patrice Beaujault. I hope that this document is a true reflection of our conversations and that the recommendations presented here will make help to create strides in the project.

9. Appendix 1: Basic information on the sustainability and impact of savings groups

An impact evaluation was unfeasible given the short time frame for this study. However, it would be beneficial to present two studies and a theory of change that could help in understanding and predicting the sustainability and impact of SECCA groups.

Mali Randomized Control Test

The Randomized Control Test led by the Bill and Melinda Gates Foundation as part of the Saving for Change program in Mali is the most expensive, detailed, reliable and relevant study on the impact of savings groups. The study demonstrated the modest but real benefits of the groups after three years. In comparison, studies on micro-credit programs normally show that there is less of an impact, and often no impact at all, after three years. Here is a brief summary of the study on Mali:

- There was no significant difference in health expenditures.
- No changes were observed regarding school attendance, although there was a slight increase in spending on education in the participating villages (8%, suggestive).
- Food security was significantly reduced in participating villages. There was an approximate 3% increase per adult in total food consumption in the participating villages. Households in the participating villages spent an additional 39 cents per adult per week on food during the lean season.
- The value of domestic livestock production was 13% (\$120) higher in the treatment zone in comparison to the control group zones. Forty-two percent (42%) of the women stated that they had used a solidarity group loan for commercial purposes.
- The overall savings rate in the treatment villages was higher than in the control villages. In addition, savings in the treatment villages increased over the course of the study.
- There was a modest decrease in poverty levels (1.25 USD/day).

In principle, REGIS-ER can expect to see greater benefits since the savings groups are integrated into a larger program that helps people to make sound investments.

Maternal and Child Health Project in Pakistan

From 2009 to 2013, the Aga Khan Network led a project funded by USAID which trained and established 28 village midwives in the mountainous regions of Pakistan. At the same time, it created 421 village savings and credit associations in those same villages.

It is expected that the savings groups will finance the villagers' use of midwives. Near the end of the project, an in-depth study found that women who had one family member who was a member of a village savings and credit association were four times more likely to use all of the services offered by midwives than non-members.

However, fifteen percent (15%) had accepted money from their groups, and often very small amounts. The project then launched a second study to attempt to reveal the reasons why members were so frequently using the services of midwives. The study found that:

- Members who took out loans also had to borrow from other people to pay the midwife in full. Credit does not have to meet all financial needs to attain the objective.
- Members encouraged other members to use the midwives' services and several members stated that this encouragement motivated them to behave differently.

- Members were better informed since midwives and village sanitation committees preferred to give information to groups instead of individuals. A member of a group will always be more informed than a non-member.

Theory of change

This brings us to the theory of change surrounding SECCA groups. Instead of thinking of SECCA groups as financial institutions, it would be better to think of them as "three-legged stools." Finances are only a part of it, and not necessarily the most important part.

In addition to finance, members acquire knowledge from group trainers and from each other. In addition, they receive mutual support within the group. These three elements inspire members to try new things. If they are successful in their endeavors, the member returns to the group having been reinforced in regard to each of these three elements. The member can go on to share with the group, while saving more and continuing to share what he or she has learned, providing even more support to members.

